

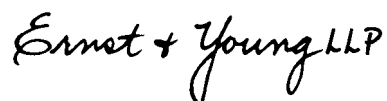
## **Report of Independent Accountants**

We have examined management's assertion, included in the accompanying "Report of Management on Compliance with the Federal Communications Commission's ("FCC") Third Payphone Order," that as of June 25, 2004, Global Crossing Telecommunications, Inc. (the "Company") has designed and developed systems and procedures to be operational on July 1, 2004 to meet the payphone call tracking system requirements set forth in Appendix C of the FCC's Report and Order 03-235<sup>1</sup> (the "Order"). Management is responsible for Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that Global Crossing Telecommunications, Inc. complied with the aforementioned requirements as of June 25, 2004 is fairly stated, in all material respects.

This report is intended solely for the information and use of Global Crossing Telecommunications, Inc. and all other parties specified in the Order and is not intended to be and should not be used by anyone other than these specified parties.



June 25, 2004

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<sup>1</sup> Refers to the Federal Communications Commission Report and Order CC Docket No. 96-128 *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996* Report and Order, released October 3, 2003.



## **Report of Management on Compliance With the Federal Communications Commission's Third Payphone Order<sup>1</sup>**

Management of Global Crossing Telecommunications, Inc. ("Global Crossing") is responsible for complying with the requirements set forth in FCC 03-235, released October 3, 2003 and effective July 1, 2004 (the "Third Payphone Order") as the date of this report.

Management has performed an evaluation of Global Crossing's compliance with the requirements of the Third Payphone Order as of the date of this report. Based on this evaluation, we assert that Global Crossing has complied with the requirements of the Third Payphone Order.

Global Crossing complied with the requirements of this Condition in the following manner:

1. Global Crossing has developed a system to identify and track coinless access code or subscriber toll-free payphone calls to completion.
2. Global Crossing has designated persons or has contracted with a third-party entity responsible for tracking, compensating, and resolving disputes concerning completed payphone calls.
3. Global Crossing has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
4. Global Crossing has established internal protocols to ensure any software, personnel or network changes do not adversely affect Global Crossing's ability to track payphone call records.
5. Global Crossing has in place processes to create a quarterly compensable payphone call file by applying logic that matches call detail records against payphone identifiers to call data for the purposes of identifying and selecting compensable payphone records. The first quarterly compensable payphone call file will be produced for the quarter ended September 30, 2004.

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<sup>1</sup> The "Third Payphone Order" refers to *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, FCC 03-2235, released October 3, 2003 by the Federal Communications Commission ("FCC"). The requirement of the Third Payphone Order are set forth in the Appendix C of the above referenced Report and Order.

6. Global Crossing has developed procedures to provide a compensable payphone call file to National Payphone Clearinghouse<sup>2</sup> for purposes of creating the following required quarterly reports:

#### Completing Carrier Reports<sup>3</sup>

- a. A list of toll-free and access numbers dialed from each of the payphone service provider's payphones and the Automatic Number Identification ("ANI") for each payphone;
- b. The volume of calls for each ANI identified in "a" above that were completed by Global Crossing;
- c. The name, address, and phone number of the person or persons responsible for handling Global Crossing's payphone compensation; and,
- d. The carrier identification code ("CIC") of all facilities-based long distance carriers that routed calls to Global Crossing, categorized according to the list of toll-free and access code numbers identified in "a" above.

#### 100% All Call Attempt Payment Schedule

- i. Global Crossing is offering to customers unable to comply with the requirements of the Third Payphone Order, the ability to contract with Global Crossing to remit to the PSPs compensation.
- ii. Global Crossing will remit compensation to the PSPs on all calls originating from payphones as identified in (c) below delivered to Global Crossing, regardless of whether a particular call has been completed to the called party.
- iii. The contracting party has agreed that any Carrier Toll Free Transport (Product Option 27001, and 91001) call that is routed to contracting party's switch which contains info-digits 27, 29 or 70 is considered to be a payphone or coinless originated call, and each call or call attempt is subject to payphone compensation.
- iv. The required information and compensation will be included in Global Crossing's Completing Carrier Reports identified above.

#### Intermediate Carrier Reports

- a. A list of all the facilities-based long distance carriers to which Global Crossing switched toll-free and access code calls;
- b. For each facilities-based long distance carrier identified in "a" above, a list of the toll-free and access code numbers that all local exchange carriers have delivered to Global Crossing and that Global Crossing switched to the identified facilities-based long distance carrier;

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<sup>2</sup> Global Crossing Telecommunications, Inc. entered into an agreement with the National Payphone Clearinghouse to handle compensation to and dispute resolution from the various PSP's on behalf of the Company.

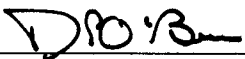
<sup>3</sup> Completing Carrier Reports are comprised of two distinct types of traffic: (1) retail completed calls which are determined to be compensable; and (2) calls which Global Crossing carries and tracks for other SBRs (Switched Based Resellers) with whom Global Crossing has agreements (i.e., Global Crossing's customers). The 100% All Call Attempt Payment Schedule outlines the criteria utilized by Global Crossing to identify these SBRs.

- c. The volume of calls for each number identified in “b” above that Global Crossing has received from each of the payphone service provider’s payphones, identified by their ANIs, and switched to each facilities-based long distance carrier; and,
  - d. The name, address and telephone number and other identifying information of the person or persons for each of the facilities-based long distance carrier identified above who serves as Global Crossing’s contact at each identified facilities-based long distance carrier.
- 7. Global Crossing has developed and implemented procedures and controls internally or through National Payphone Clearinghouse to identify, respond to, and resolve disputes. Global Crossing’s dispute procedures, including the identified point of contact for dispute resolution, are located at [www.npc.cc](http://www.npc.cc)
- 8. Global Crossing has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that fall-out of the process are insubstantial.
- 9. Global Crossing has developed a process and business rules that accurately identify:
  - a. Payphone originated calls, based on ANI Infodigits 27, 29 or 70
  - b. Completed payphone calls that are compensable to the payphone service providers, based on whether the call was made to a toll free number, which are eligible for Dial Around Compensation (DAC). Global Crossing identifies completed calls on the Time Division Multiplexing (TDM) network by call detail record Answer Supervision - Time Point 6 Qualifier (TP6Q) field. When the TP6Q indicator is greater than 0, the call was answered. On the VoIP network a completed and billable call is identified by the VoIP stop record. The stop record contains the Originating Payphone ANI, Payphone ANI Info Digits and Toll Free Number.
  - c. Payphone calls that are incomplete or otherwise non-compensable if on the TDM network the Answer Supervision TP6Q = 0, indicating the call was not answered or not completed. On the VoIP network a non-completed; non-billable or non-compensable call is called an attempt record. Attempt records always indicate the call was not completed. If otherwise, a stop record will be generated as explained in 9a above.
  - d. The payphone service providers to which Global Crossing owes compensation. On a quarterly basis the NPC reviews requests for payment from the PSPs who provide them with the Payphone ANIs that calls were originated on. The NPC forwards this request file to Global Crossing for analysis. The call detail records that Global Crossing has accumulated of

valid and billable payphone calls are matched to the NPC request file to determine the number of calls per ANI that Global Crossing shows available for compensation to the PSPs. Global Crossing submits the matched file to the NPC from which the above identified reports are compiled.

Global Crossing Telecommunications, Inc.

June 25, 2004

By: 

Daniel O'Brien  
Executive Vice President and Chief  
Financial Officer



**Global Crossing®**

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